

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
HARRISONBURG DIVISION**

MELNOR, INC.,)	
)	Civil Action No. 5:04CV00113
Plaintiff,)	
)	
v.)	<u>MEMORANDUM OPINION</u>
)	
SKR RESOURCES, INC., and)	
CHRISTOPHER COREY,)	By: Samuel G. Wilson
)	United States District Judge
Defendants.)	

Plaintiff, Melnor, Inc., brings this diversity action against SKR Resources, Inc. (SKR), and Christopher Corey for fraud and unjust enrichment. By memorandum opinion and order dated November 10, 2005, the court directed the Clerk to enter a default against SKR due to SKR's failure to appear at the hearing on Melnor's motion to compel and due to SKR's refusal to cooperate with discovery. Richard K. Boyle, Melnor's secretary, has filed an affidavit affirming that Melnor is entitled to \$428,624.07, the unrecouped value of goods taken by SKR pursuant to the parties' agreement.¹

Melnor also has requested "interest at the legal rate from March 14, 2004." The parties' agreement did not call for interest in the event of a default, so the court construes Melnor's request as a request for prejudgment interest. "Virginia law governs the award of prejudgment interest in a diversity case." Hitachi Credit America Corp. v. Signet Bank, 166 F.3d 614, 633 (4th Cir. 1999). The Virginia Code provides in pertinent part that "[i]n any action at law or suit in equity, the verdict of the jury, or if no jury the judgment or decree of the court, may provide for interest on any principal sum awarded, or

¹According to Boyle, SKR received goods worth a total of \$433,014.97 and provided barter credits pursuant to the agreement worth \$4,390.90, entitling Melnor to the difference of \$428,624.07.

any part thereof, and fix the period at which the interest shall commence.” Va. Code § 8.01-382. Any such award shall be at an annual rate of six percent. Va. Code §§ 8.01-382, 6.1-330.54. In light of the course of dealing to which SKR has effectively admitted and in light of the fact that SKR has unjustifiably retained Melnor’s otherwise sellable goods, the court finds that such an award is appropriate here and awards Melnor interest at an annual rate of six percent, running from March 14, 2004, to the date of entry of the court’s judgment.²

ENTER: This ____ day of November, 2005.

UNITED STATES DISTRICT JUDGE

²Of course, federal law governs the accrual of interest beyond the date of the court’s judgment: per statute, post-judgment interest automatically would begin to accrue on the date the court entered its judgment at “a rate equal to the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the calendar week preceding the date of the judgment.” See 28 U.S.C. § 1961.

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
HARRISONBURG DIVISION**

MELNOR, INC.,)	
)	Civil Action No. 5:04CV00113
Plaintiff,)	
)	
v.)	<u>JUDGMENT ORDER</u>
)	
SKR RESOURCES, INC., and)	
CHRISTOPHER COREY,)	By: Samuel G. Wilson
)	United States District Judge
Defendants.)	

In accordance with the memorandum opinion entered this day, it is hereby **ORDERED** and **ADJUDGED** that judgment is **ENTERED** in favor of Melnor and against SKR in the amount of \$428,624.07 plus interest at a rate of six percent annually, running from March 14, 2004, until the date of entry of this judgment.

ENTER: This ____ day of November, 2005.

UNITED STATES DISTRICT JUDGE